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Complainant & Intervenor

BEFORE THE ARIZONA CORPORATION COMMISSION
CORP COMMISSION
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COMMISSIONERS

BOB STUMP-Chairman
TOM FORESE
DOUG LITTLE
BOB BURNS
SUSAN BITTER SMITH - Chairwoman

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING TO
INSTALL A WATER LINE FROM THE WELL ON
TIEMAN TO WELL NO. 1 ON TOWERS

W-04254A-12-0204

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING TO
PURCHASE THE WELL NO. 4 SITE AND THE
COMPANY VEHICLE.

W-04254A-12-0205

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING FOR AN
8,000-GALLON HYDRO-PNEUMATIC TANK

W-04254A-12-0206

IN THE MATTER OF THE RATE
APPLICATION OF MONTEZUMA RIMROCK
WATER COMPANY, LLC.

W-04254A-12-0207

JOHN E. DOUGHERTY,
COMPLAINANT,
V.
MONTEZUMA RIMROCK WATER
COMPANY, LLC,
RESPONDENT.

W-04254A-11-0323

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER
COMPANY, LLC FOR APPROVAL OF A
RATE INCREASE.

W-04254A-08-0361

Arizona Corporation Commission

DOCKETED

APR 02 2015

DOCKETED BY	BTA
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IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER
COMPANY, LLC FOR APPROVAL OF A
FINANCING APPLICATION.

W-04254A-08-0362

DECISION NO. 74505
**Opposition to Montezuma's
Petition to Amend Decision
74505 Surety Bond
Requirement**

Montezuma Rimrock Water Company did not provide written notice to Intervenor/Complainant of its March 2, 2015 petition to amend Decision No. 74505 to remove the requirement that it maintain a \$30,000 Surety Bond. Intervenor/Complainant just learned of this petition on April 1, 2015 and hereby files a timely objection to Montezuma's motion.

Montezuma's request is based on Staff's recommendation that the bond requirement be removed. Staff provided no explanation for this recommendation made in its February 3, 2015 Six Month Compliance Review No. 1.

The Commission has required Montezuma to maintain a \$30,000 Surety Bond since 2005 when it approved the sale of water company assets to Montezuma in Decision No. 67583. The requirement was put in place because Montezuma was in weak financial condition at that time.

Montezuma's financial condition has not improved and has significantly worsened since 2005. Decision No. 74505 kept the Surety Bond in place to protect ratepayers in the event Montezuma cannot meet its financial obligations. Montezuma continues to face an uncertain financial future that could result in the company abandoning its franchise and ratepayers due, in part, to the ongoing criminal investigation by the Attorney General.

Montezuma has failed to comply with Decision No. 74505 by not keeping the Surety Bond in place.ⁱ Staff determined that Montezuma had not renewed the Surety Bond since it expired on May 1, 2013. Rather than seeking a Show Cause Hearing, Staff instead continues its inexplicably favorable treatment of the Company and instead recommends the Surety Bond be waived while providing no tangible reason to do so.

Montezuma appears to have renewed the Surety Bond on Feb. 24, 2015 based on a docketed filing.ⁱⁱ If in fact the company has renewed the Surety Bond, Montezuma failed to comply with Decision No. 67583 for more than 20 months and Decision No. 74505 for more than eight months.

Montezuma's precarious financial condition and its past violation of Commission Orders, statutes, rules and regulations make it imperative that the Commission maintain the requirement of the Surety Bond.

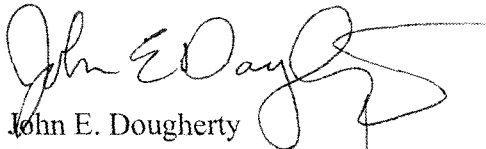
Commission Robert Burns' dissent attached to Decision No. 74505 provides important insight as to why the Surety Bond should remain in place.

"I was appalled by Ms. Olsen's behavior during this proceeding and have serious concerns about her ability to appropriately conduct herself moving forward. My fear is that her poor decision-making, which includes established evidence that she sought to avoid Commission review by entering into financing and leasing agreements prior to making requisite filings, may put ratepayers at risk."ⁱⁱⁱ

The fact that Montezuma failed to notify Intervenor/Complainant of its motion to modify the Decision No. 74505 continues to show the Company is acting in bad faith.

Intervenor/Complainant hereby respectfully requests the Commission to deny Montezuma's motion.

RESPECTFULLY SUBMITTED this 2nd Day of April, 2015.



John E. Dougherty
Complainant/Intervenor

Copies of the foregoing Mailed/Hand Delivered
This 2nd Day of April, 2015 to:

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ⁱ Staff Report, Decision No. 74505, Pg. 2, Feb. 3, 2015.

ⁱⁱ Montezuma 2015 Surety Bond, Decision No. 67583, Docket No. W-042540-04-0270, Feb. 24, 2015.

ⁱⁱⁱ Decision N. 74505, Robert Burns Dissent, May 29, 2014.